

June 10, 2010

Ways and Means Committee:

I write to urge you to legislate Tier 5 unemployment benefits.

Over ten million jobs need to be created to restore the labor market to its condition before the recession started in December 2007. This enormous jobs gap suggests that even robust and consistent employment growth would take considerable time to substantially lower the number of long-term unemployed workers. Studies find that unemployment leads to a variety of negative outcomes for workers and their families, including increased deprivation, increased health problems, permanent withdrawal from the labor market (sometimes by moving on to disability programs) and adverse impacts on children, including poorer educational outcomes. Chairman McDermott stated, **"Our first step to respond to long-term unemployment is obvious -- continue the emergency federal unemployment programs to prevent millions of workers from losing their benefits. If we can afford wars, tax cuts, and bank bailouts, then we can certainly afford to maintain programs for workers who have lost their jobs through no fault of their own. But we also need to think about additional steps to help those trying to return to work. An increasing number of Americans who have worked hard and played by the rules are now finding themselves with no job, no savings and no support. We must not abandon these workers and their families."**

The breadth of the unemployment crisis makes Congressional action on federal unemployment provisions, including COBRA subsidies, all the more urgent. Not only do federal extensions keep families afloat during periods of unemployment, they also stimulate local economies that have been hard hit by job loss. In fact, the Congressional Budget Office estimates that every dollar of UI benefits results in \$1.90 of economic activity, making unemployment insurance one of the most effective forms of short-term stimulus. Without Congressional action establishing Tier 5 unemployment benefits and a commitment to keeping a strong safety net in place for the rest of this year, our economic recovery will be severely jeopardized, and both the employed and unemployed will suffer.

Please create and implement Tier 5 unemployment benefits.

Sincerely,

Andrew Plath